

## CHAPTER NO. 840

## HOUSE BILL NO. 2134

**By Representatives Newton, Gresham, Eldridge, Harry Brooks, Hensley, DuBois, Hagood, Brown, Coleman, Walker, McDaniel, Sargent, Todd, Kent, Vincent, Marrero, Litz, Brenda Turner, Sharp, Montgomery, Garrett, Yokley, Bittle, Phillip Johnson, Windle, Davis, Hackworth, Dunn, Wood, Fowlkes, Winningham, Towns**

**Substituted for: Senate Bill No. 2114**

**By Senators Cohen, Ketron**

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 4, Part 9, relative to lottery scholarships.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-4-902(6), is amended by deleting the subdivision in its entirety and substituting instead the following:

(6) "Continuous enrollment" means a student is enrolled in the fall and spring semesters of a single academic year. Enrollment in summer semester or inter-session terms is not required.

SECTION 2. Tennessee Code Annotated, Section 49-4-902(7), is amended by deleting the word "or" at the end of subdivision (A), deleting subdivision (B) and substituting instead the following subdivisions:

(B) A private secondary school that is located in Tennessee and:

(i) Is approved by the state board of education as a Category 1, 2 or 3 secondary school in accordance with the applicable rules and regulations; or

(ii) Is a candidate for full accreditation status by an accrediting agency approved by the state board of education on the effective date of this act; provided that a candidate for full accreditation status shall be considered an eligible high school only for the purpose of application for Tennessee HOPE scholarships for the 2004-2005 school year by students who graduated from such secondary school after January 1, 2003, but prior to December 1, 2004.

(C) A secondary school operated by the United States department of defense on a military base that is located in whole or in part in Tennessee;

(D) An out-of-state public secondary school located in a county bordering Tennessee that Tennessee residents are authorized to attend under § 49-6-3108; or

(E) An out-of-state boarding school accredited by a regional accrediting association that is attended by a bona fide Tennessee resident.

SECTION 3.

(a) Tennessee Code Annotated, Section 49-4-905(b), is amended by deleting the language "graduated from a Tennessee high school," and by substituting instead the language "graduated from an eligible high school, graduated from a high school located in Tennessee that is not an eligible high school,".

(b) Tennessee Code Annotated, Section 49-4-905(b), is further amended by deleting the date "January 1, 2004" and by substituting instead the date "December 1, 2003".

SECTION 4. Tennessee Code Annotated, Section 49-4-905, is amended by redesignating the present subsection (b) to be subdivision (b)(2) and by adding a new subdivision (b)(1) as follows:

(1) Notwithstanding anything in this part to the contrary, any person who, after December 1, 2003, enrolled in an eligible postsecondary institution in lieu of graduating from an eligible high school, and is otherwise qualified, shall be eligible for a Tennessee HOPE scholarship.

SECTION 5. Tennessee Code Annotated, Section 49-4-905, is amended by deleting subsection (c) in its entirety.

SECTION 6. Tennessee Code Annotated, Section 49-4-907, is amended by deleting the date "January 1, 2004" and by substituting instead the date "December 1, 2003".

SECTION 7. Tennessee Code Annotated, Section 49-4-907(2), is amended by deleting the subdivision in its entirety and substituting instead the following:

(2) Be admitted to and enroll in an eligible postsecondary institution no later than the fall semester immediately following graduating from high school; and

SECTION 8. Tennessee Code Annotated, Section 49-4-908, is amended by deleting the date "January 1, 2004" wherever it appears and by substituting instead the date "December 1, 2003".

SECTION 9. Tennessee Code Annotated, Section 49-4-908(3), is amended by deleting the subdivision in its entirety and substituting instead the following:

(3) Be admitted to and enroll in an eligible postsecondary institution no later than the fall semester immediately following completing high school in a Tennessee home school program, obtaining a GED, or graduating from high school.

SECTION 10. Tennessee Code Annotated, Section 49-4-908(2)(A), is amended by deleting the number "23" and by substituting instead the number "21" and by deleting the number "1060" and by substituting instead the number "980".

SECTION 11.

(a) Tennessee Code Annotated, Section 49-4-907(3)(B), is amended by deleting the number "19" and by substituting instead the number "21" and by deleting the number "890" and by substituting instead the number "980".

(b) Tennessee Code Annotated, Section 49-4-908(2)(B), is amended by deleting the number "19" and by substituting instead the number "21" and by deleting the number "890" and by substituting instead the number "980".

SECTION 12.

(a) Tennessee Code Annotated, Section 49-4-909(a), is amended by deleting the date "January 1, 2004" and by substituting instead the date "December 1, 2003".

(b) Tennessee Code Annotated, Section 49-4-909(a), is further amended by deleting the language "who graduates from a Tennessee high school," and by substituting instead the language "who graduates from an eligible high school, who graduates from a high school located in Tennessee that is not an eligible high school,".

SECTION 13. Tennessee Code Annotated, Section 49-4-911, is amended by redesignating present subsection (b) to be subsection (c) and by adding a new subsection (b) as follows:

(b) A student enrolled in an undergraduate degree program required to be more than one hundred twenty (120) semester hours in length shall achieve a cumulative grade point average of 3.0 at the end of the semester in which the student has attempted one hundred twenty (120) semester hours to continue to receive the scholarship.

SECTION 14. Tennessee Code Annotated, Section 49-4-916, is amended by deleting the date "January 1, 2004" wherever it appears and by substituting instead the date "December 1, 2003".

SECTION 15. Tennessee Code Annotated, Section 49-4-918(a), is amended by deleting the language "graduates from a Tennessee high school," and by substituting instead the language "graduates from an eligible high school, graduates from a high school located in Tennessee that is not an eligible high school,".

SECTION 16. Tennessee Code Annotated, Section 49-4-920(a)(4), is amended by deleting the date "January 1, 2004" and by substituting instead the date "December 1, 2003".

SECTION 17. Tennessee Code Annotated, Section 49-4-922, is amended by deleting the words "under this part".

SECTION 18. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following as a new section:  
§ 49-4-926.

(a) Notwithstanding any provision of this part to the contrary, a student who is a Tennessee citizen and a dependent child of a member of the armed forces or the Tennessee national guard engaged in active military service of the United States shall be eligible for a Tennessee HOPE scholarship as an entering freshman, if such student meets all eligibility requirements for such scholarship except that, while the parent was stationed on active military duty outside of Tennessee, the student did not reside in Tennessee for one (1) year immediately preceding the date of application for

financial assistance and the student did not graduate from an eligible high school as defined in § 49-4-902(7), graduate from a Tennessee high school that is not an eligible high school, complete high school in a Tennessee home school program, or obtain a GED from a state-approved institution or organization. If such student graduated from a high school outside of Tennessee, then such high school shall be considered an eligible high school for purposes of determining the student's eligibility for a scholarship, if the school was operated by the government of the United States, accredited by the appropriate regional accrediting association for the state in which the school is located, or accredited by an accrediting association recognized by the foreign nation in which the school is located. If such student graduated from a high school outside of Tennessee that does not meet the requirements of this section to be considered an eligible high school, completed high school in a home school program, or obtained a GED, then such student shall meet the eligibility requirements for Tennessee HOPE scholarships for students graduating from Tennessee high schools that are not eligible high schools.

(b) As used in this section:

(1) "Dependent child" means a natural or adopted child or stepchild whom such parent claims as a dependent for federal income tax purposes; provided that such child is under twenty-one (21) years of age and resides in another state or nation only while such student's parent is engaged in active military service of the United States or on full-time national guard duty; and

(2) "Tennessee national guard" means any federally recognized unit of the Tennessee army and air national guard.

(c) This section shall apply only to dependent children of members of the armed forces or Tennessee national guard whose home of record at the time of entry into military service was determined to be Tennessee.

SECTION 19. Tennessee Code Annotated, Section 49-4-907(3)(A)(i) is amended by deleting the word "and" at the end of the subdivision and replacing it with the word "or".

SECTION 20. Tennessee Code Annotated, Section 49-4-907(3)(A)(ii), is amended by deleting the subdivision in its entirety.

SECTION 21. Tennessee Code Annotated, Section 49-4-916(a)(3), is amended by deleting the subdivision in its entirety and by renumbering the subsequent subdivisions accordingly.

SECTION 22. Tennessee Code Annotated, Section 49-4-916(d)(1)(A) is amended by adding the word "and" at the end of the subdivision.

SECTION 23. Tennessee Code Annotated, Section 49-4-916(d)(1)(B) is amended by deleting the subdivision in its entirety and by renumbering the subsequent subdivision accordingly.

SECTION 24. Tennessee Code Annotated, Section 49-4-920(a)(5) is amended by adding the word "and" at the end of the subdivision.

SECTION 25. Tennessee Code Annotated, Section 49-4-920(a)(6) is amended by deleting the subdivision in its entirety and by renumbering the subsequent subdivision accordingly.

SECTION 26. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following as a new subdivision (32) and renumbering the subsequent subdivisions accordingly:

(32) Weighted grade point average means grade point average on a 4.0 scale calculated with additional points awarded for advanced placement, honors, or other similar courses.

SECTION 27. Tennessee Code Annotated, Section 49-4-916(a)(2), is amended by deleting the word "unweighted" and by substituting instead the word "weighted".

SECTION 28. Tennessee Code Annotated, Section 49-4-916(d)(1)(A), is amended by deleting the word "unweighted" and by substituting instead the word "weighted".

SECTION 29.

(a) There is created a special joint committee to study the manner in which financial assistance shall be provided from net lottery proceeds of the state lottery established pursuant to Article XI, Section 5 of the Constitution of Tennessee to citizens of this state to enable such citizens to attend postsecondary institutions located within this state.

(b) The committee shall consist of four (4) members of the house of representatives and four (4) members of the senate. The chair and vice-chair of the education committee of the house of representatives and the chair of the education committee of the senate shall serve on the committee. The speaker of the house shall appoint the remaining house members of the committee and the speaker of the senate shall appoint the remaining senate members of the committee.

(c) All appropriate state agencies shall provide assistance to the special joint committee.

(d) The special joint committee shall be convened by the chair of the education committee of the house of representatives and chair of the education committee of the senate; and the chairs shall serve as co-chairs of the committee.

(e) The committee shall review and study the manner in which financial assistance is provided from lottery proceeds under title 49, chapter 4, part 9 to citizens of this state to enable such citizens to attend postsecondary institutions located within this state. The committee shall specifically study the efficacy of postsecondary financial assistance as presently provided under title 49, chapter 4, part 9 in increasing postsecondary educational opportunities for Tennessee citizens and the ability of such citizens to maintain such financial assistance as postsecondary students. The committee shall study the viability of the continuation of financial assistance as presently provided under title 49, chapter 4, part 9 in relationship to the net lottery proceeds produced or projected to be produced by the state lottery.

(f) The committee shall review and study any alternative plans for postsecondary financial assistance from net lottery proceeds for citizens of this state proposed by members of the general assembly.

(g) The committee shall study and consider development of a program of postsecondary financial assistance from net lottery proceeds to be used upon graduation from high school by students enrolled in elementary or secondary enrichment and support programs that presently exist and are funded from federal, state, local, or private funds. Such enrichment and support programs should encourage students, particularly at-risk students, to obtain the academic excellence and skills necessary to succeed in postsecondary education.

(h) The committee shall report by January 15, 2005, to the 104th General Assembly, its conclusions and any recommendations for modifications or changes that should be made in the manner in which financial assistance is provided from lottery proceeds to citizens of this state to enable such citizens to attend postsecondary institutions located within this state.

(i) The committee shall report by January 15, 2006, to the 104th General Assembly, any additional conclusions concerning postsecondary financial assistance from lottery proceeds to citizens of this state, specifically any conclusions concerning the effectiveness of financial assistance as presently provided under title 49, chapter 4, part 9, as shown by scholarship retention and other measures of student success, at which time the committee shall cease to exist.

#### SECTION 30.

(a) Sections 11, 26, 27, and 28 of this act shall take effect December 1, 2004, the public welfare requiring it, and shall apply to students seeking financial assistance from lottery proceeds for the 2005-2006 school year and thereafter.

(b) All other sections of this act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to students seeking financial assistance from lottery proceeds for the 2004-2005 school year and thereafter.

PASSED: May 21, 2004

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 8<sup>th</sup> day of June 2004

  
PHIL BREDESEN, GOVERNOR